UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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DP/PROJECTS/7336

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF LAO PEOPLE'S DEMOCRATIC REPUBLIC

IPF:(1992-96) $42 300 000

(LAO/92/001) - Programme Support to Economic and Financial Management

Date of approval by the AC:[1]	29 July 1992	
Expected duration:	24 months	
Lead Government Authority:	Ministry of Economy, Planning and Finance (MEPF)	
Proposed Executing Agent:	MEPF	
Implementing Agents:	MEPF, IBRD, IMF, AsDB	
Proposed UNDP contribution:	$1 500 000	Source of funds: IPF
Total UNDP budget:	$1 500 000	
Administrative and Operational Support Services (AOS)	$ 37 500	Agency: AsDB
	$ 40 600	Agency: IMF
	$ 30 800	Agency: IBRD
Total AOS:	$108 900	

Project background

Under a previous project (LAO/90/006) UNDP has been providing support to the implementation of various reforms in the framework of the New Economic Mechanism, including foreign investment promotion, privatization of state-owned enterprises and legal reforms. Realizing that additional and better coordinated assistance would be required, the Government of the Lao People's Democratic Republic now requests supplementary inputs from UNDP to address the problem of limited technical capacity of the Ministry of Economy, Planning and Finance (MEPF) and its counterpart agencies at the provincial level to perform their economic and financial management functions effectively as the country proceeds in its transition from a centrally-planned to a market-based economic system.

A recent in-depth evaluation of the just completed project (LAO/90/006) in support of economic reforms, while recognizing good progress in achieving the project's objectives, had observed that considerably more time is required to assist the Government in both the formulation and implementation of the economic reform policy, that better coordination of the activities of the various implementing agents is required, as well as close working relationships between resident advisers and policy makers. The evaluators therefore recommended continuation of UNDP assistance through five separate projects (LAO/92/002) -

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Tax and Customs Administration, (LAO/92/003) - Promotion of Foreign Investment, (LAO/92/004) - Legal Framework, (LAO/92/016) - Assistance to State Statistics Centre, and the present umbrella project (LAO/92/001) - Programme Support to Economic and Financial Management. Implementation of all projects, with the exception of the present one, has already started under advance authorization from the Resident Representative. The approval of the umbrella project is justified as it will establish a stronger capacity within the Lao PDR Government for planning, budgeting, coordination and expenditure management, in line with the recommendation of the LAO/90/006 evaluation mission and the March 1992 Round-Table Meeting.

Description of project

The development objective of the project is to promote a sustainable rate of economic growth and financial stability in a market-based economy by strengthening the capability of the MEPF in macroeconomic planning, policy analysis and coordination, aid coordination, public investment programming, budgetary, public expenditure monitoring, accounting and control, as well as cash management. The project will provide a comprehensive and integrated programme of technical assistance to strengthen the capability of the Government for macroeconomic planning, policy analysis and coordination, aid coordination, public investment programming, budgeting, public expenditure monitoring, accounting and control, and cash and internal debt management. By the end of the project, a synchronized and integrated system of planning, programming, budgeting and financing for economic and social development management of the Lao PDR in the context of the New Economic Mechanism will have been established and the rules and regulations for its implementation issued by the competent authorities. The ongoing restructuring of the MEPF in the context of a broader reorganization of the Government will have been completed.

Inputs

UNDP will provide 12 man-months of a CTA/programme manager for technical backstopping to the National Programme director in carrying out the responsibility for overall management and execution of the programme, including achievement of programme objectives, coordinating the formulation, testing and installation of the system referred to in the previous section; 12 man-months for an expert in financial management; 28 man-months of consultancies in the fields of macroeconomic planning, policy analysis, aid/debt management, budgeting, public accounting and auditing; a subcontract for public investment programming; 33 man-months of external fellowships; one study tour; vehicles and technical equipment; and miscellaneous costs.

Financial data

	$
Personnel	847 600
Subcontract	240 000
Training	279 000
Equipment	105 900
Miscellaneous	27 500
Total	1 500 000

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO AN INTERREGIONAL PROJECT

(INT/92/026) - Strengthening of the Debt Management Capacities of the developing Countries

INDIANA UNIVERSITY
DEPT. ...NS

Date of approval by the AC:[1/]	5 August 1992
Expected duration:	Four years and three months
Proposed executing agency:	UNCTAD in association with the World Bank
Proposed UNDP contribution:	$5 900 000
Source of funds:	IPF

Project background

A major contributor to the problems associated with developing country external indebtedness and the prevailing "crisis management" approach which has often characterized the relationship between lenders and borrowers has been the absence of sound debt management systems at the individual country level. Borrowers often posses only the most rudimentary knowledge of their external liability position. The situation has been aggravated by the fact that most privately-incurred external debt usually ends up requiring a government guarantee or outright assumption by the government of the debt service. Although the establishment of improved systems did receive some attention from the international agencies including UNDP throughout the 1980s, most of the efforts in this area were scattered, piecemeal and uncoordinated.

In the fact of this situation, UNDP commissioned an independent review of debt management programmes and practices in 1989. The report of the team, issued in February 1990, proposed, among other things, that UNDP take the lead in this area while working in close collaboration with all the major players, notably UNCTAD, the World Bank, the Commonwealth Secretariat, IDRC and the Regional Development Banks.

As a result of the team's report, an inter-agency consultation on debt management programmes and practices was convened by UNDP in October 1990 with substantial participation by debt managers from developing countries. This consultation resulted in, among other things, a decision by UNCTAD and the World Bank to completely integrate all of their technical assistance activities with

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a view to strengthening the institutional and policy capacity of developing countries for more effective management of their external liabilities. The two agencies have agreed to jointly develop a new generation of computerized debt management systems designed to cover all aspects of external liability management and, increasingly, domestic liability management.

The principal beneficiaries of this new approach will be those developing countries which, heretofore, have been the subject of competing and often contradictory interventions by the two institutions.

Description of project

The project will seek to enhance the capacities of a select group of developing countries to better manage their external indebtedness. This will be done through the creation of a pool of expertise capable of carrying out detailed needs assessments of debt management requirements (institutional, administrative and legal), assisting countries to install and maintain state-of-the-art computerized debt management systems and providing extensive training to developing country nationals in most aspects of external liability management. Through the establishment of "users groups" and similar mechanisms the project will also facilitate contacts between developing country debt managers in the spirit of technical cooperation among developing countries.

Inputs

UNDP will provide 150 work-months of financial systems analysts/programmers; 200 work-months of financial economists; 60 work-months by way of administrative support; short-term fellowships covering participation in group training events; and miscellaneous costs.

Financial data

	$
Personnel	4 300 000
Subcontract	-
Training	1 300 000
Equipment	100 000
Miscellaneous	200 000
Total	5 900 000

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CHILE

IPF:(1992-96) $9 450 000

(CHI/92/009) - Strengthening of the Chilean Disaster Management System

Date of approval by the AC:[1/]	5 August 1992
Expected duration:	18 months
Proposed executing agency:	Government
Government implementing agency:	National Emergency Office of the Ministry of the Interior (ONEMI)
Proposed UNDP contribution:	$ 276 300 Source of funds: IPF
Total UNDP budget:	$ 276 300

Project background

Chile is a disaster prone country. A major earthquake occurs on the average every 10 years; and floods/landslides are a common yearly occurrence. Some of the most recent events have included the eruption of the Hudson volcano (8-15 August 1991) producing as much as six km3 of lava and ash causing permanent damage to agriculture and cattle; and Antofagasta landslides which have produced 250 deaths and left hundreds of people homeless.

Despite the history of disasters, Chile has, thus far, not developed any systematic disaster prevention system. Neither the National Office for Emergency (ONEMI) nor any other organization in the country, has defined a set of policies for civil protection that could be enforced by the public sector and the population before, during and after a particular emergency. There is no reliable early warning system and coordination mechanisms with other related public services are, at best, weak (meteorological service, geophysics university's departments, police, and army).

Fundamentally, disaster relief is left to the initiative of local leaders. While this type of community action has proven to be reasonably effective in mobilizing national and international humanitarian relief, the Government of Chile now intends to systematize, formalize and institutionalize a disaster mitigation strategy. To this end, it has requested UNDP assistance under the present approval.

Description of project

The long-term objective of the project is to strengthen the Chilean disaster management system.

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The immediate objectives of the project are to: (a) update and modernize the public sector structure and legal framework for disaster warning, prevention, preparedness and relief; (b) promote the concept of disaster prevention in all public development programmes, for all sectors and at all levels of the Government; and (c) design disaster management training and information programmes and strategies addressed to public institutions, NGOs and the general public.

Inputs

UNDP will provide short-term international consultants in disaster management and 55 work-months of national consultants in fields such as risk and damage evaluation, geographic information systems, regional planning, organizational development and administrative law; subcontracts for the creation of data banks and the preparation of risk maps and training and information material; on-the-job training, workshop and study tours for NGOs and ONEMI'S Regional Directors; and equipment including PC and minor communications equipment.

Financial data

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Personnel	166 800
Subcontract	56 000
Training	40 000
Equipment	8 500
Miscellaneous	5 000
Total	276 300

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CHILE

IPF:(1992-96) $9 450 000

(CHI/92/013) - Consolidation of the Scientific and Technological Infrastructure in Research Centers and Universities

Date of approval by the AC:[1]	5 August 1992
Expected duration:	36 months
Proposed executing agency:	Government
Government implementing agency:	CONICYT in cooperation with UNDP/OPS
Proposed UNDP contribution:	$ 400 000 Source of funds: IPF
Government cost sharing:	$ 18 000 000
Total UNDP budget:	$ 18 400 000

Project background

Economic success in Chile has largely been the result of the opening of the economy and a very active export promotion strategy. Within this context, Science and Technology development has been accorded high priority as a means to improve the quality and competitiveness of Chilean production within international markets. UNDP has been a major partner in the efforts of the country to boost its scientific and technological capacity and its application to the private sector. During the Third Cycle UNDP supported the improvement of basic sciences and the strengthening of the corresponding human resources. The Fourth Country Programme was devoted entirely to the nation's scientific and technological development through the interaction between the supply of scientific knowledge and services and the demand for them on the part of the private sector.

This cycle has resulted in fundamental knowledge on new technologies, relevant technical information for the negotiation of imported technologies, and the development of technological innovations and new products. Furthermore, UNDP support resulted in the adoption of a national science and technology policy, in the decentralization of the science and technology system, and the formulation of the National Science and Technology Programme costing (US)$184 million over four years. The above-mentioned project is being partly financed by the IDB with (US)$65 million and consists of the simultaneous operation of three funds FONDECYT, FONDEF and FONDEC which will support projects on basic research, applied research and development respectively; and each of which from their respective angle aims at the incorporation of technological innovation for productive processes.

UNDP's follow-up during this cycle seeks to operationalize the policies it has been involved with in the past, with specific emphasis on the execution of particular components

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of the National Science and Technology Programme. This will include support for the implementation of Research and Development projects which will be financed by FONDEF and executed by teams constituted of regional Universities and their partners from the private sector, as well as support for CONICYT to centrally procure the equipment required by the Universities to carry out the afore-mentioned projects, create a network for the efficient use of scientific and technological equipment, and monitor and evaluate the research and development projects.

The Government is relying on UNDP participation to be an objective arbiter and supportive partner as regard equipment distribution between 18 national and regional universities. The project thus becomes a process that requires constant review of where what can achieve its maximum potential.

Description of project

The long-term objective of the project is to contribute to the social and economic development of the country through incorporation of technological innovations into the production system, and allowance of private industry to compete successfully in international markets.

The immediate objectives of the project are to:(a) optimize the use of available resources in the national scientific and technological pool by generating an information system with the state of the art equipment introduced; (b) create and operate a unit charged with the maintenance and updating of the system, and its accessibility for consultation by the entire country; (c) reinforce the management capacity of CONICYT for the monitoring, control and evaluation of research and development projects, and its integration into the International System of scientific and technological coordinating organizations; and (d) endow universities with the basic material infrastructure which will allow them to develop technological research and reinforce the negotiating capacity of CONICYT in the identification, selection and acquisition of scientific equipment.

Project activities will include:(a) maintaining the existence of a permanently updated cadastre of scientific equipment; (b) establishing a communications system for the utilization of the cadastre by operators throughout the country; (c) developing methodologies for the monitoring and evaluation of FONDEF financed projects; (d) making groups of scientists and investigators proficient in the use of the new equipment; and (e) providing universities and investigative centers with the necessary equipment to execute research and development projects.

Inputs

UNDP will provide international consultants in epistemometry, scientific innovation, management of research projects and identification and preparation of specification for specialized equipment; national consultants in scientific advising and procurement of technical equipment, as well as a national coordinator; a subcontract to evaluate research projects; and scientific and technological equipment.

Financial data

	$
Personnel	363 500
Subcontract	12 500
Equipment	18 000 000
Miscellaneous	24 000
Total	18 400 000

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CHILE

IPF:(1992-96) $9 450 000

(CHI/92/017) - Development of the Airport Infrastructure and the Air Navigation Services

Date of approval by the AC:[1/]	5 August 1992
Expected duration:	34 months
Proposed executing agency:	Government
Government implementing agency:	General Directorate of civil Aeronautics (DGAC) in cooperation with ICAO
Proposed UNDP contribution:	$ 261 600 Source of funds: IPF
Government cost sharing:	$ 1 072 700
Total UNDP budget:	$ 1 334 300

Project background

Due to Chile's location and geography (4.220 km of length), air transportation constitutes the chief means of national and international transportation. The volume of passengers has increased by 15 percent during the last five years while the freight volume has increased by 26 percent during the same period. Presently, the Santiago airport alone caters to 62 percent of all passengers and 88 percent of all freight volume. It is expected that, in view of the increasing trade patterns, during the next years these figures will only increase.

Given the Chilean policy of economic growth based on export promotion, the Government assigns the highest priority to air transportation and seeks to continuously update its infrastructure and services according to international standards. For this purpose it has developed, with the support of the project (CHI/84/003) Strengthening the Development of Biological Sciences, the Aeronautical National Programme and has allocated (US)$ 80 million for the modernization of the subsector during the period 1992-1996.

The National Aeronautical Programme has established the following priorities: (i) to adjust the International Airport of Santiago to meet present and future demands including upgrading of the runways to accommodate new aircrafts; (ii) to modernize and automatize the air transit control services following ICAO's communication, navigation and surveillance (CNS) concepts and; (iii) to strengthen DGAC capacities to certify capacity aircrafts, spare parts and components produced in the country.

To meet the above-mentioned priorities, the Government has requested UNDP assistance with ICAO acting as specialized agency. It has to be noted that ICAO has been actively

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engaged in Chile and cooperating with DGAC since 1969.

Description of project

The development objective of the project is to modernize the aeronautical infrastructure and services, in order to satisfy the increasing demands of civil aviation.

The immediate objectives of the project are to: (a) revise and approve, according to international standards, the detailed engineering project for the construction of the new passengers terminal, remodelling of the existing freight terminal, and upgrading of the runway of the Arturo Merino Benitez International Airport of Santiago de Chile; (b) specify, select and install the specialized equipment of the passengers terminal; (c) prepare the bidding documents, select the firms and supervise the construction to ensure compliance with national and international standards; (d) update the air traffic control service according to the aeronautical national programme and to ICAO recommendations for communication, navigation and surveillance concepts (CNS); and (e) certify aircrafts, spare parts and components, and negotiate agreements with other countries for the promotion of the national aeronautical industry.

Inputs

UNDP will provide 19 work-months of international consultants in automation, electric engineering, certification of various issues, airport engineering, and airport architecture; 82 work-months of national consultants in civil aviation, communication systems, and administration and operation of airports; training in the areas of air navigation, satellite communication systems, automation, operation and maintenance of airport systems, quality control techniques, and design and construction of parts and components; 44 work-months of study tours in fields as electromechanical maintenance of airports, embarkation operations, commercialization of airport installations, certification engineering, techniques of fabrication and inspection, techniques of revision and control systems, performance inspection, planning of airport operation, and systems installation; and highly specialized equipment for aeronautical communications.

Financial data

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Personnel	538 100
Training	167 200
Equipment	611 000
Miscellaneous	18 000
Total	1 334 300

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APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF EQUATORIAL GUINEA

INDIANA UNIVERSITY
DEPT. NS

IPF:(1992-96) $11 230 000
(EQG/87/C05)- Rural Water Supply and Sanitation

Date of approval by the AC:[1/]	5 August 1992
Expected duration:	Three years and four months
Proposed cooperating agency:	UNICEF
Government implementing agency:	Ministry of Health
Proposed UNCDF contribution:	$ 947 300 Source of funds: General Resources
Government contribution:	$ 69 500
Proposed UNICEF contribution:	$ 994 000
Total project budget:	$2 010 800

Project background

The dictatorship of 1968-1978 that followed independence of Equatorial Guinea has had a devastating impact on the social and economic sectors of the country. Equatorial Guinea has a low human development ranking of 143. Its 1991 human development index of 0.163 is among the lowest in the world. Adult literacy rates are 50.2 percent and life expectancy at birth is 50.8 years. The adjusted real GDP per capital is $706. One of the causes for such low HDI is the lack of access to potable water by the rural population which constitutes 70 percent of the population.

During the last decade, investments in the water and sanitation sector have been realized mainly by a few NGOs working in the country, with self-help labour of the beneficiary communities. Accompanying the construction of protected springs and shallow wells, the NGOs have trained local personnel in well construction, environmental sanitation and health education. During the 1982-87 period, the health sector has received about 4,300 million FCFA ($17.2M) from multilateral and bilateral, mainly spanish assistance. In spite of those important investments, the incidence of disease such as broncho-pneumonia, diarrhea are still the leading causes of high mortality of children.

In December 1986, a UNCDF identification mission visited Equatorial Guinea, and in coordination with the Government, identified a project of water supply and sanitation of secondary towns. In 1988, the UNCDF formulation mission has concluded that such a project would not be cost-effective nor feasible. In agreement with UNDP and UNICEF, UNCDF decided to reorient its assistance towards the rural population of the continental region, by co-financing with UNICEF a joint programme of water supply and sanitation in rural areas. The

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UNCDF financing will allow to double the number of wells and protected streams to be constructed under the original UNICEF water and sanitation programme (1991-1995).

Description of project

The immediate objectives of the project are to: (a) supply clean water and basic sanitation to 92,000 inhabitants, representing 40 percent of the rural population in the continental region of Equatorial Guinea; (b) provide the beneficiary population with health education; (c) create village water committees for future maintenance of the water and sanitation facilities; and (d) establish a resource management system for the planning and program of the water and sanitation sector.

The expected outputs are the construction of 90 shallow wells equipped with handpumps, 200 protected springs and 1,000 improved ventilated pit latrines, the establishment of village water committees for water works and pump maintenance, and a Geographical Information System (GIS) for water resources and sanitation management.

Project activities will include: (a) implementing an extensive outreach and education campaign to mobilize local community participation with self-help labour; (b) conducting special training programmes in basic hygiene preceding the well construction phase; (c) establishing of village water management committees; (d) developing the construction works for water supply and sanitation; (e) forming water committees and community activities to provide a focus for community development; and (f) conducting on-the-job and in-house training and institutional support component to strengthen the technical capacity of the water and sanitation division of the Ministry of Health which has recently been established to implement village water supply projects as well as the establishment of an operational GIS.

This project will form part of and benefit from other UNICEF financed activities included in their 1991-1995 Programme such as: (i) support to Primary Health Care; (ii) Pre-school programme; and (iii) Support to Women's Production and Marketing Activities.

Inputs

The rural water supply and sanitation programme will be co-financed between UNICEF and UNCDF. UNCDF will co-finance the equipment required for construction works of shallow wells and protection of springs consisting of hydraulic equipment, small tools, hand pumps, vehicles, trucks, computer and communication equipment, didactic materials. UNCDF will also finance the operation and maintenance costs of the programme and subcontract consultants for socio-economic, hydrogeological and GIS systems studies and feasibility study for a followup programme of water supply in secondary cities.

UNICEF, under its approved rural water supply programme (1991-1995) will cO-finance the costs of the technical assistance and incentive payments for national personnel required for the implementation of the project. UNICEF will also cover the costs of the training programme for national staff, hydraulic equipment, vehicles and construction materials.

The Government will be responsible for paying the salaries of the national staff assigned to the project on a full-time basis including a National Director, a Regional Coordinator and 10 rural sanitation agents.

Financial data

	UNCDF	UNICEF ($)	GOVT.
Formulation, monitoring and evaluation	80 000	-	-
Subcontract	140 000	-	-
Equipment	278 800	423 965	14 000
Operating costs	286 500	-	-
Technical assistance	-	420 100	55 500
Training	-	15 000	-
Contingencies	130 000	134 935	-
Programme support costs	32 000	-	-
Total	947 300	994 000	69 500

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF AFGHANISTAN

IPF: (1992-96) $70 039 000

(AFG/88/001) - Rural Rehabilitation in Southern and Eastern Afghanistan - (Supplementary Assistance)

Date of approval by the AC:[1/]	12 August 1992
Expected duration:	Five years
Proposed executing agency:	UNDP/OPS
Lead Government Authority:	Ministry of Planning
Implementing Agents:	NGOs and Ministry of Rural Rehabilitation and Development
Proposed UNDP contribution:	$ 5 000 000 Source of funds: IPF
Previous UNDP budget:	$13 500 000
Third-party cost-sharing:	$ 7 465 000 Source of funds: UNOCA/ Afghanistan Emergency Trust Fund
Additional cost-sharing:	$ 100 000 Source of funds: UNOCA
Total UNDP budget:	$18 500 000
Total project budget:	$26 065 000

Project background

Rural Afghanistan has been devastated by war over the last 14 years. A large group of the population, nearly five and a half million Afghans have had to flee their country and seek refuge in Pakistan and Iran. Another two million people were internally displaced. The rural economy has been severely crippled; and most roads, bridges, irrigation systems, drinking water and sanitation facilities, schools, clinics, bazaars and dwellings have been damaged, destroyed or have become unusable due to lack of repair or maintenance. Agricultural production has declined significantly; and the country's livestock, traditionally a major element in the rural economy, has been severely affected, both in terms of reduced numbers and declining productivity due to lack of veterinary services.

Since April 1989, UNDP, together with other United Nations agencies, has been assisting in rehabilitation work inside Afghanistan. The main vehicle for delivering UNDP rehabilitation assistance has been this project entitled "Rural Rehabilitation and Reconstruction: Support to NGOs", with additional inputs from UNOCA. It has been a principal component of UNDP's strategy for rehabilitation in Afghanistan entailing progressive penetration of rural areas, addressing key rehabilitation problems with an emphasis on achieving immediate, positive and visible results.Rehabilitation activities under this project have been carried out in areas where the

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Government in Kabul had no presence through the contracted services of NGOs, both international and Afghan, operating inside Afghanistan across the Pakistan border from Peshawar and Quetta.

As of 31 May 1992, 222 sub-projects, with an aggregate value of $11.1 million, had been approved for funding under the project. Of these, sub-projects dealing with agriculture accounted for $4.16 million, veterinary services $4.163 million, water supply $1.41 million and roads $0.785 million. Field work has been completed on 138 sub-projects, with a total value of $4.998 million.

Description of project

The main objective of the project is the creation of conditions conducive to the return and rehabilitation of Afghan refugees from Pakistan and Iran through the restoration of basic rural infrastructure and capacity for food production in Southern and Eastern Afghanistan.

Responding to the rapidly evolving situation in Afghanistan since April 1992 with the establishment of an Interim Government, the overall thrust of the rehabilitation assistance will be modified as necessary to provide maximum possible support for repatriated refugees and internally displaced persons to return to their villages. This substantive revision will incorporate the decisions and recommendations which came out of the Internal Review held on 10 June 1992 and the RBAP PAC of 14 July 1992.

The title of the project is now changed to "Rural Rehabilitation in Southern and Eastern Afghanistan", increasing coverage to 20 provinces and extending the duration until 31 March 1993. By that time, the UNDP-led Rehabilitation Strategy formulation exercise will have been completed and the report released. It will complement activities in the rest of the country under the project (AFG/90/007) Rural Rehabilitation in Northern, Western and Central Afghanistan. Security permitting, the Programme Manager will be relocated in Kabul and technical personnel from the Peshawar and Quetta offices to appropriate locations in southern and eastern Afghanistan. Project activities will concentrate on water supply and sanitation, irrigation, agricultural rehabilitation and veterinary services. No new road repair and rehabilitation activities will be approved, except those already included in the 1992 workplan. The project will coordinate the UNOCA-funded Disabled Afghans Project (DAP) and closely collaborate with UNDCP in poppy growing areas, as well as with the Women in Development expert to be hired under AFG/90/007 who will provide technical advice and support to ensure women's concerns and perspectives are adequately reflected in mainstream activities of the project AFG/88/001.

Inputs

UNDP will provide extension of the services of selected international and national professional personnel and local administrative and secretarial support staff up to 31 March 1993 with a total of 416 work-months; subcontracts according to the supplementary Work Plan bringing the total number of subcontracts to over 300; training; equipment; and miscellaneous costs.

Financial data

	$
Personnel	261 500
Subcontract	4 593 800
Training	6 200
Equipment	28 500
Miscellaneous	110 000
Total	5 000 000

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UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF AFGHANISTAN

IPF: (1992-96) $70 039 000

(AFG/90/007) - Rural Rehabilitation in Northern, Western and Central Afghanistan (Supplementary Assistance)

Date of approval by the AC:[1]	12 August 1992	
Expected duration:	Three years	
Lead Government Authority:	Ministry of Planning	
Proposed executing agency:	UNDP/OPS	
Implementing Agent:	Ministry of Rural Rehabilitation and Development	
Proposed UNDP contribution:	$6 302 000	Source of funds: IPF
Previous UNDP budget:	$3 452 500	
Total UNDP budget:	$9 754 500	

Project background

With new political developments in Afghanistan and the establishment in May 1992 of the Interim Government of the Islamic State of Afghanistan (GISA), there is the hope that the country will begin returning to normal. Afghan refugees in Pakistan and Iran, which numbered over five million, have responded favourably to these events, and since May 1992, have been returning to their homeland at an average rate of 12,000 per day. Despite increased optimism, the problems facing returning refugees and all Afghans in rural areas are enormous. The above-mentioned project had its origins in the UNDP Provincial Strategy of 1990 which guided projects towards moving into rural areas, as opportunities arose, through a platform approach whereby personnel and resources would be available in-country. The project was intended to provide a platform from which UNDP community-based activities could be launched in northern Afghanistan.

Under the Preparatory Assistance phase of the project, an operational office has been established in Mazar-i-Sharif and 3 international staff, 12 national professionals, 9 UN Volunteers, and 7 support staff recruited. Approximately 13 subcontracts to NGOs and local communities with a total value of $750,000 have been implemented and, as a consequence, 120 community-based crop extensionists trained; 500,000 hectares of crop land treated against sunn pest and locust infestation; 83 km of rural roads repaired; 20 village water tanks constructed and 168 km of irrigation canals desilted. The experience gained has been utilized in the preparation of the project document and its implementation strategy.

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The destructive impact of 14 years of civil war on the rural economy is very evident in the country's northern, central and western provinces. This region is primarily rural and semi-arid. The mainstay of its economy is subsistence-level farming, with wheat the main crop and livestock a major economic activity. Other income generating activities include processing of seed oils, trade, transportation, cottage industries and services. Remittances from overseas also constitute a substantial underpinning for the economy.

Description of project

The development objective of the project is to rehabilitate rural infrastructure in order to improve the quality of life for the resident rural population and create conditions required for the return and resettlement of refugees and displaced persons by raising agricultural output and productivity, rehabilitating infrastructure, and providing economic and social services.

The scope of the project is being extended to cover the 15 northern, western and central provinces of the country, with its main office to be relocated to Kabul to facilitate interaction with the Government. The technical unit will continue in Mazar-i-Sharif, with sub-units to be established in Herat and Pul-i-Khumri, covering seven technical zones. The project will complement activities under the project (AFG/88/001) Rural Rehabilitation in Southern and Eastern Afghanistan. Through a mix of direct implementation and sub-contracts with locally-based technical implementing groups, the project will provide technical and financial assistance to rural communities in two sectors: irrigation and drinking water supply, and rural sanitation. Repair of the roads leading to project sites will be undertaken as needed; and all activities will involve participation of the local communities in decision-making and supply of labour. A key component of the project will be training community personnel in identifying, planning, prioritizing and implementing rehabilitation activities in their respective areas. An important, albeit sensitive, dimension will include activities to promote the involvement of women as both participants in mainstream activities and as beneficiaries. Environmental assessment will be included in the formulation, implementation and review of project activities.

By the end of the project, in August 1993, a number of rural irrigation systems will have been rehabilitated, enabling villagers to grow more food. The supply of agricultural water will have been increased by the construction of off-takes and weirs and by cleaning canals and irrigation ditches. Village water and sanitation facilities will have been improved through the construction of wells, storage tanks and pit latrines. In addition, handpumps and piping will have been installed, and hygiene training given. A significant number of Afghans will have been trained in technical fields such as the repair of water systems and maintenance of rural sanitation. Project implementation will depend on reliable communications and technical implementing, monitoring and evaluation personnel; and provision has been made for requisite maintenance and repair facilities and procurement of spare parts.

Inputs

UNDP will provide 756 work-months of operational and technical personnel; subcontracts to implementing partners with the level of funding going to each sector and depending on needs identified by communities technically assessed by project personnel; in-service training; hand tools and equipment, plus materials when not available; and miscellaneous costs.

The communities will supply labour and locally available building materials such as stone, sand and timber.

Financial data

	$
Personnel	1 737 100
Subcontract	4 119 900
Training	100 000
Equipment	148 500
Miscellaneous	196 500
Total	6 302 000

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF AFGHANISTAN

IPF: (1992-96) $70 039 000

(AFG/92/007) - Formulation of a Rehabilitation Strategy for Afghanistan

Date of approval by the AC:[1/]	12 August 1992	
Expected duration:	Six months	
Lead Government Authority:	Ministry of Planning	
Proposed executing agency:	UNDP/OPS	
Implementing Agents:	UNDP and other UN agencies	
Proposed UNDP contribution:	$1 093 000	Source of funds: IPF
Total UNDP budget:	$1 093 000	
Administrative and Operational Support Services (AOS):	$ 96 800	Agency: UNDP/OPS

Project background

As Afghanistan slowly emerges from the devastation of a 14-year war and over 5 million refugees begin the arduous return to their homeland, the overwhelming need for human, economic and physical rehabilitation is clearly evident. Practically all areas of Afghanistan have been laid waste by a particularly destructive 14-year war. The social fabric and economic base have been devastated. The financial, institutional and physical infrastructure is almost totally paralyzed or destroyed. Health, education and other services are virtually inoperative. Unemployment, poverty, malnutrition, deprivation and disease afflict most of the 16.6 million population, of whom an estimated 50 per cent are either displaced, homeless or destitute in a country which experiences an extremely harsh winter likely to exact a heavy toll amongst the millions in need of urgent humanitarian and rehabilitation assistance.

The political situation in Afghanistan has evolved rapidly since April 1992 when Afghanistan's fallen Government ceded power to a Mujahideen Interim Council headed by a president-elect. The ruling council governed for a transitional two months when a new president-elect came into power for a four-month term. During the remaining 18 months of the interim period, elections are planned leading to the subsequent establishment of a broad-based government acceptable to the majority of Afghan people. The newly-established Government of the Islamic State of Afghanistan, and the new provincial councils based in the main cities are trying to cope with the problems of day to day governance, the influx of returnees and the millions of mines scattered in many parts of the country.

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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The urgent need for a rehabilitation strategy has been further emphasized by the extraordinary, spontaneous return of refugees from border camps in Pakistan and Iran. The daily rate of return of refugees recorded by UNHCR already has reached 12,000 persons so that, by the end of the year, it is expected that over 2 million refugees will have returned to Afghanistan. In addition, hundreds of thousands of internally displaced persons and demobilized combatants will need to be resettled. It is hoped that donor community response to the Consolidated Appeal by the Secretary-General for Emergency Humanitarian Assistance for Afghanistan, launched in June 1992, will meet immediate needs. But only large-scale international intervention leading to rehabilitation and development of the country can hope to avoid serious exacerbation of the already disastrous condition.

Having established a record of long and active experience in Afghanistan, it is evident that, in the immediate future, the United Nations system is expected by other multi-laterals, bilaterals and NGOs, to provide neutral and sound technical guidance on viable, high priority, rehabilitation activities. Led and sponsored by UNDP, the strategy will cover key sectors and encompass the technical expertise and experience of the IMF, World Bank, ADB, UN specialized agencies, and NGOs. Such a strategy will develop an overall framework of donor and UN system assistance for the the rehabilitation and reconstruction of Afghanistan.

Description of project

The project provides for the formulation of a comprehensive rehabilitation strategy based upon a needs assessment survey and identification of priorities through technical appraisal in consultation with the Government and provincial or local authorities. The strategy will include a portfolio of viable, sustainable projects identified for funding by potential donors. To be in place by the end of this year, the strategy will provide a framework to guide implementation of rehabilitation activities over the two-year period 1993/94.

Project activities will include: (a) conducting a comprehensive review and assessment of the present status, needs, problems and priorities to be addressed in each of the major economic, social and infrastructure sectors covering economic management, water and irrigation, transport/communications/roads, agriculture, housing, health, education, industry, human resources development, mine clearance and cross-cutting issues of gender, drug control, and NGO participation; (b) indicating priorities in both sectoral and regional aspects; (c) analyzing relevant human resources, deployment, utilization and training needs; (d) discharing a clear statement of implications in terms of special issues such as mine hazards, food security, displaced persons, disabled and disadvantaged groups, the role of women, drugs and environment; (e) clarifying inter-sectoral considerations and linkages brought out between repatriation and development phases; (f) supporting each sectoral analysis by project profiles for activities to address perceived needs and priorities; and (g) identifying where appropriate, critical quick impact projects for urgent implementation together with a broad estimate of costs.

Inputs

UNDP will provide 59 work-months for a director/team leader, an executive officer and two secretaries, 30 work-months of international experts, five work-months of national consultants; a subcontract to charter a light aircraft for three work-months; equipment and miscellaneous costs.

The World Bank, IMF, ADB and FAO have each identified consultants and allocated funds from their own resources to meet their respective costs.

Financial data

	$
Personnel	608 000
Sub-contracts	400 000
Equipment	30 000
Miscellaneous	55 000
Total	1 093 000

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF COLOMBIA

IPF:(1992-96) $ 11 700 000

(COL/92/002) - Support to the Youth, Women and Family Presidential Programme

Date of approval by the AC:[1/]	12 August 1992
Expected duration:	30 months
Proposed executing agency:	Government
Government implementing agency:	Youth, Women and Family Presidential Programme (Presidency of Colombia)
Proposed UNDP contribution:	$ 350 000 Source of funds: IPF
Government cost sharing:	$1 341 300
Total UNDP budget:	$1 691 300

Project background

During the last decade, several of Colombia's social indicators have been showing steady improvements. Nevertheless, various population groups such as those under critical poverty and vulnerable groups including women, youth and senior citizens have not partaken of this trend. Inequality is exacerbated by gender and age: women's per capita income is 36 percent lower than that of men, their unemployment lies at 14.4 percent while that of men is 7.6 percent, the chief cause of female mortality continues to be child bearing related complications. As regards senior citizens, 12.45 percent are covered by social security, 42 percent do not have any source of income and 32 percent are illiterate. In the young population, 54 percent of those between 12 and 17 years of age do not have access to education and 18.2 percent between 20 and 24 years are unemployed.

Various public entities and NGOs have traditionally organized programmes oriented towards vulnerable groups. However, these actions have not taken into account the specific needs of the different groups, have been disperse and atomized, and have not produced

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significant impact. Moreover, a coherent gender and age conscious social policy has been almost completely absent, thereby providing little impetus for equitable participation of these groups in the socio-economic development of the country. In response to the above-described situation, in 1990 the administration of President Gaviria created the Presidential Advisory Office. This body was to serve as focal point in the social sector, evaluate the extant policies, and define through a participatory process, priorities for the poor and vulnerable population groups. It is pertinent to note here that the new Constitution emphasises civil rights and special constitutional guarantees for vulnerable groups, and insists on decentralization and participation as a basic condition for a real integration into the development process.

Under the project (COL/90/008) Support to the Presidential Advisory Office for Women and Family UNDP supported the Government in preparing its social priorities to: (i) place the human being at the centre of development, assigning special importance to gender and age differentiation; (ii) ensure the democratic participation of these vulnerable groups in the decision making process; (iii) focalize public expenditures in order to increase social investment; (iv) identify the entity responsible for coordinating the social sector; (v) adapt norms and regulations related to women, youth and senior citizens to the changes brought by the National Constitution; and (vi) strengthen the role of local governments, the private sector, NGOs and grassroots organizations in the management of social programmes.

Description of project

The development objective is to improve the quality of life of Colombia's most vulnerable groups. The immediate objectives of the project are to: (a) integrate women, youth and senior citizens' dimensions into the institutional framework of national social policies; (b) coordinate the women, youth and senior citizens programmes with the sectorial entities; (c) strengthen regional and local governments as well as NGOs and grassroots organizations for the management of women, youth and senior citizens programmes; and (d) promote community organization and mobilize public opinion around the issues of women, youth and senior citizens.

Inputs

UNDP will provide four work-months of short-term international consultants and 560 work-months of national consultants in age and gender issues related to employment, health, nutrition, education, recreation, culture, housing and other areas such as legal assistance, communications and information; subcontracts for policy papers, communications strategies and legal studies; seminars and training programmes; equipment; publications, travel and sundry costs.

The Government will provide counterpart personnel, office space, equipment and supplies.

Financial data

	$
Personnel	1 146 000
Subcontract	110 000
Training	120 000
Equipment	200 000
Miscellaneous	115 300
Total	1 691 300

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APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF MALAWI

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IPF:(1992-96) $6 134 000
(MLW/87/C03) - Rural Motorized Transport

Date of approval by the AC:[1/]	19 August 1992
Expected duration:	Three years
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Ministry of Transport and Communications
Proposed UNDP contribution:	$495 000 Source of funds: IPF
Proposed UNCDF contribution:	$1 443 600 Source of funds: General Resources
Government cost sharing:	$129 000
Total UNDP budget:	$2 067 600

Project background

As part of its economic renewal programme (DEVPOL 1987-96) the Government of Malawi has increased the network of rural and district roads. The secondary and district road network has benefited from the IDA funded Road Improvement/Maintenance Programme (DRIMP). Conditions on the rural access road system where there has been minimal investment remain unsatisfactory. The UNDP/UNCDF funded Village Access Roads and Bridges Construction project remains thus far the only effort aimed at rehabilitating this level of the road network. While the density of the network is comparatively good, and the conditions though generally poor, remain not much worse than in other comparable African countries, the use of the road network is very limited. Typical traffic flows on secondary and district roads average about 30 VPD. The paucity of the motorized vehicle fleet accounts largely for this low level of road usage. Fleet capacity relative to population (passenger places per 1000 inhabitants) is estimated at 3.6 (1989) and for rural populations, the estimates are lower still at 2.3. These are far below estimates of other African countries.

Small fleet capacity is a major constraint on agricultural development and production particularly in the small holder sector which accounts for over 90 percent of the total food requirements of the country. Smallholders, constituting over 80 percent of the Malawi population are consequently unable to benefit from the opportunities created by the current price/market liberalization policies due to a number of "non-price" constraints, of which marketing and transportation are the most important. Since available motorized transport fleets operate mainly in and around the mainurban centres, the dominant modes of transport in the rural areas are walking, headloading, bicycles and oxcarts for heavier and longer

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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cargo transport. The limitations in terms of carrying capacity, range and speed of these modes of transportation results in substantial waste in time that could be reserved for productive activities in rural households. Passenger/goods motorized transport in rural areas is sporadically offered by illegal, unlicensed, accident-prone operators who, depending on season, location and vehicular conditions, charge exorbitant fares.

The pattern of stagnation of the motor vehicle fleet must be seen against the background of overall stagnation of the Malawian economy in the 1980s and the effects of increased fuel prices, the increased costs of borrowing foreign capital, the debt burden and the decline in the external terms of trade (Malawi's dollar-adjusted international terms of trade declined from a base of 100 in 1980 to 28 in 1988 with the collapse of world tobacco prices as a critical factor. More specifically, however, non-availability of credit and shortage of foreign exchange for vehicle imports (coupled with an unfavourable transport pricing policy) have contributed in impeding the development of rural transport services.

Description of project

The long-term objective of the project is to develop smallholder agricultural production through increased mobility of factors of production and surplus produce in and from rural areas, and in the improvement of living condition in those areas through better access to Social Services.

The immediate objectives of the project are to: (a) upgrade the capacity for motorized passenger and freight transport in the districts of Dedza, Rumphi, Mulanje and Mwanza; (b) demonstrate the feasibility of a vehicle leasing scheme for rural transport; (c) create in-country capacity for managing rural motorized transport; and (d) train operators in transport business management.

Project activities will include: (a) establishment of a fleet of 36 (2-4 tons payload) vehicles leased to private owner/operators, by project year 3; (b) creation of a revolving lease fund and profitable transport business in 40 km catchment areas of 4 rural centres in the four targeted districts; and (c) establishing a sustainable structure to monitor rural transport operations.

Inputs

UNDP will provide a transport management adviser (18 man months, four UNVs (24 man months) four national transport officers (36 man months each); part of the PMU operating costs and sub-contracts for training. UNCDF will finance the procurement costs of 42 trucks/vehicles and evaluation/formulation, support and Agency overhead costs. The Government will provide premises for the PMU, and will finance local costs of counterpart staff and part of the PMU's operating costs.

Financial data

	Government	$ UNDP	UNCDF
Personnel	36 000	412 000	-
Premises	81 000	-	-
Missions, reporting	-	2 500	65 000
Training	-	30 000	-
Non-expendable equipment	-	25 000	1 200 000
Expendable equipment	-	15 000	-
Operation and maintenance	12 000	9 000	-
Support costs, miscellaneous and contingencies	-	1 500	178 600
Total	129 000	495 000	1 443 600

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APPROVAL OF UNCDF ASSISTANCE TO A PROJECT OF UGANDA

IPF:(1992-96) $ 74 120 000
(UGA/91/C02) - West Nile Credit Project

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Date of approval by the AC:[1]	26 August 1992
Expected duration:	Five years
Proposed executing agency:	Government Centenary Rural Development Trust (CERUDET)
Implementing agents:	CARE INC., UNDP/OPS
Proposed UNDP contribution:	$3 106 300
Source of funds:	UNCDF General Resources

Project background

The West Nile region of Uganda borders the Sudan and Zaire and covers the districts of Nebbi, Arua and Moyo. Although the economic situation in the region is essentially characterized by subsistence farming, there is a small but industrious enterprise sector in the towns or Arua and Nebbi. A conservative estimate suggests a minimum current enterprise population of between 8,000-9,000 non-farm businesses in Arua and Nebbi. The abundance of raw materials, the availability of labour and a trading history in the area combine to lay the foundation for economic recovery.

Credit and extension work is expected to stimulate this basis, however, as interventions in the area of credit in Africa prove, the lack of a strong institutional base means that any program will have to devote sufficient resources both in terms of funds and time to reach a certain level of performance. As to the implementation arrangements, there are precedents in Uganda that establish church groups as effective vehicles of grass roots assistance. In the case of the Centenary Rural Development Trust (CERUDET), it has a good track record, specifically when it comes to reaching women clients in any significant way.

Description of project

The long-term objective of the project is to increase the income of small and micro entrepreneurs and farmers in the West Nile region in support of the economic development strategy specified in the Government's Development Plan (1991-1994).

The immediate objectives of the project are to: (a) increase the availability of savings and credit services to men and women engaged in micro and small economic activity in the target area; (b) establish effective and efficient operations in CERUDET; and (c) develop lending methodologies which cater to the needs of the project's urban and rural

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target groups.

Project activities will include: (a) establishment of a Credit Facility whereby the project will develop and test three different methodologies to reach three separate target groups: group lending for the most "micro" of entrepreneurs, lending through existing industry and trade associations for those who need larger sums of money but cannot meet traditional collateral requirements and CERUDET's traditional individual lending for qualified applicants; (b) Institutional Development of CERUDET under the supervision of CARE whereby a CERUDET bank building will be built in Arua, staff recruited and trained, operational and management systems defined, and a monitoring and evaluation system established; and (c) providing support services to address non-financial needs of CERUDET clients such as sub-sector studies in order to facilitate identification of business opportunities, basic business management skills and technological skills and training. Technical assistance support will be provided through organization s in Uganda and the region.

Inputs

UNCDF will provide capital for establishing operations of a CERUDET branch office in Arua and the capitalization of the revolving fund. The fund will also cover mission expense and costs of technical assistance and support services to be managed by CARE. Counterpart inputs from CARE and CERUDET will be calculated as 20 percent of the total budget for the Arua office and 15 percent of the operation budget of the Kampala office respectively.

The Government, through the Ministry of Women, Youth and Culture will provide staff time to review group lending methodology and coordination of a qualitative study of household economy.

Financial data

	$
Missions (formulation,monitoring, audit evaluation)	150 000
Subcontract(personnel, equipment & construction, operation & maintenance, training, technical support, Admin. Contractor Support)	1 462 200
Loans & credit	1 150 000
Contingencies	75 400
Agency support costs	130 600
Programme support costs	138 100
Total	3 106 300

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APPROVAL OF UNCDF/UNDP ASSISTANCE TO A PROJECT OF ERITREA

IPF:(1992-96) $6 000 000

(ERI/92/C01) (ERI/92/001) - Fisheries Rehabilitation in Semhar Province

Date of approval by the AC:[1/]	26 August 1992
Expected duration:	Five years
Proposed executing agency:	Government (Department of Marine Resources and Inland Fisheries)
Implementing agents:	Fishermen's Association (FA), FAO
Proposed UNCDF contribution:	$2 863 400 Source of funds: General Resources
Proposed UNDP contribution:	$ 624 800 Source of funds: IPF
Government cost sharing:	$ 174 400

Project background

The situation in Eritrea is characterized by the consequences of a very long and damaging war which caused great suffering to the people and immeasurable damage to the economy of the country, especially to its infrastructure. An accord now exists between the Provisional Government of Eritrea (PGE) and the Transitional Government of Ethiopia (TGE), guaranteeing mutual respect for their existing international boundary and recognizing the PGE as the sole government of the people of Eritrea. Pending a referendum on independence, the PGE has embarked on the reconstruction of the country's war-torn economy through an emergency Two-year Action Programme. As 80 percent of the population presently live on food aid, priority has been given to food production including production of fish. Fish is the richest knows natural resource of Eritrea and the country's coastal waters are among the most productive fishing grounds in the Red Sea.

Description of project

The project will combine recapitalization of the fishing fleet with the development of the domestic market, the provision of essential services (ice, fuel and repairs) and complementary investments in social infrastructure in the fishing communities. The immediate objectives of the project are to: (a) rehabilitate the fishing fleet; (b) fish landing and distribution; (c) develop the social infrastructure; and (d) strengthen the fisheries department.

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The Project is designed to increase fish production in the Semhar Province by providing means that will make scarce production inputs (fishing boats, gears, spares, fuel etc.) easily and locally available to artisanal fishermen. Essential landing facilities (jetties, workshop equipment, ice plant, cold store) will also be provided to support the fish production effort. Similarly, the project will make funds available to provide pick-ups to improve the road transportation of fish from Massawa to Asmara. Provisions are also made for the construction or rehabilitation of drinking water supply, health clinics and schools.

Inputs

UNDP will finance the services and support costs of a fisheries management specialist, a UNV credit specialist, a master fisherman and various national and international consultancies including technical expertise to undertake a fishery survey; and training of national project staff. The fishing communities will contribute towards the revolving credit fund and maintenance of the civil works.

UNCDF will cover a credit fund for the rehabilitation of the fishing fleet, equipment for fishing support services and civil works for rehabilitation of landing facilities, fish markets, and for social infrastructure. The PGE will make available professional counterpart staff and support personnel.

Financial data

	$		
	UNCDF	UNDP	GOVT.
Missions	160 000	-	-
Import support fund	796 900	-	-
Fishing support services			
Massawa fishery centre	671 300	-	29 400
Dahlak fishery centre	158 100	-	22 000
Fish collection/distribution	83 200	-	
Social Intrastructure			
Water supply	77 000	-	-
Clinics/schools/markets	188 900	-	12 000
Buildings	69 200	-	2 800
PIU			
Technical assistance		937 000	-
National professional staff		213 000	-
General service staff		-	86 700
Equipment	122 000	140 000	-
Training		52 000	-
Operation/maintenance		88 800	-
Contingencies (20% for physical & 10% for all other elements	278 500	54 000	21 500
Agency support cost (11%)	141 922	140 000 1/	-
Prog. support costs (5%)	116 340	-	-
	2 863 400	1 624 800	174 400

1/ Detailed AOS budget to be circulated by the cooperating agency.

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BRAZIL

IPF:(1992-96) $ 14 183 000
(BRA/92/G31) - Biomass Integrated Classification/Gas Turbine

Date of approval by the AC:[1/]	2 September 1992
Expected duration:	28 months
Proposed executing agency:	Government (Secretariat for Science and Technology)
Government implementing agency:	Consortium of public and private sector organizations
Proposed UNDP contribution:	$ 6 7[illegible]00 Source of funds: GEF
Total UNDP budget:	$ 6 796 300

Project background

Biomass Integrated Gasification/Gas Turbine (BIG/GT) is one of the best examples of a technology with the potential to make a significant impact on the growth of CO2 concentrations in the atmosphere and which coulc become cost-competitive with conventional fossil fuel-based electricity in the coming years.

The use of biomass to generate electricity is roughly neutral in its release of CO2 over the whole biomass growth and burning cycle. Growing trees act as a carbon sink, absorbing carbon from the atmosphere. When this biomass is later burned, the stored carbon is released but the overall contribution to the greenhouse effect is zero since there is no net addition of carbon to the atmosphere, provided the biomass is allowed to re-establish itself. The production of electricity from biomass through conventional steam cycle power generation is both inefficient and expensive. BIG/GT technology has the potential to overcome these advantages over the scale of 15-100 MW indicating that it can become cost-competitive with fossil-fuel generation at today's energy prices. As well as the marginal costs of incremental hydroelectric capacity rise as low cost resources become fully utilized, BIG/GT is now seen as the leading least-cost alternative.

Provided a sufficiently favourable combination of reliability, efficiency and specific investment cost can be achieved, BIG/GT technology can create a commercial linkage between energy markets, reforestation and the concentration of CO2 in the atmosphere. However, without external support, private sector industry cannot pursue technology development due to the commercial risks involved.

Research on BIG/GT technology was initiated in 1986 and has involved Princeton University's Center for Energy and Environmental Studies, SHELL, General Electric, Studsvik (Sweden) and VTT (Finland) among others. In Brazil, Cia. Hydro-Electrica de Sao Francisco

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(CHESF) has been investigating Big/GT viability for more than seven years. In the second quarter of 1991, CHESF, together with SHELL, initiated discussions regarding a joint effort to demonstrate BIG/GT technology in Brazil, using wood and bagasse as the principal energy sources. These negotiations culminated in the public announcement of a commitment by the Secretariat for Science and Technology to support such a project in Brazil and initiation of a study by a private - public sector consortium to establish the technical basis for a funding proposal to GEF for the development of the technology. This proposal was subsequently presented and approved by the Participants of the GEF in December 1991.

Description of project

The entire project will comprise of five phases, with funding denoted here for PHASE II only. The main objective of this project as a whole, is to demonstrate the commercial feasibility of using biomass as a feedstock for power generation through the use of BIG/GT technology, its suitability for applications in developing countries, and the possibilities it offers for commercial activity in regions with low economic potential. Commercial feasibility will be achieved with the satisfactory demonstration of: (i) the technical feasibility of producing the required amount of low heat gas from wood, with the necessary quantity to be burned in a GT; (ii) the capability of the BIG/GT technology to produce electricity with the necessary reliability; and (iii) the economic feasibility of the whole production cycle from the forestry phase to the end of the conversion process.

PHASE I consisted of a preinvestment study which (1) explored BIG/GT technology options and identified and shortlisted equipment manufacturers; (2) outlined a work programme for equipment development during PHASE II and proposed budget allocations; and (3) provided a basis for assessing the commercial and technical potential of BIG/GT and for the allocation of project funding.

PHASE II will resolve important engineering, business, economic and financial aspects of the technology's development through the extension of subcontracts on a competitive basis to the leading organizations in this field. The engineering component will include the adaptation of new gas turbines for electricity generation to biomass gas of low caloric content, as well as determination of optimal gasifier design and operational parameters. This phase ill result in the preparation of the conceptual engineering design including comprehensive technical specifications. Phase II will include selection, in the Northeast of Brazil, of the site of the expected demonstration plant involving an environmental impact assessment of all aspects of the production cycle, with special emphasis on identifying sustainable biomass production and harvest systems. As well, this Phase will determine potential socio-economic impacts of the electricity generation cycle on local landholders and communities.

With commercial feasibility clearly demonstrated as a result of this phase, Phase III will comprise the construction of the BIG/GT demonstration plant to be partially funded under a (US)$23 million grant from the GEF, as earmarked by the Implementation Committee in September 1991. PHASE IV will comprise the operational demonstration of the plant under zero commercial constraints with the aim of confirming its main design parameters and completely debugging it; and PHASE V will consist of the plant's operation under normal commercial conditions.

Inputs

UNDP will provide 28 man-months of national professional personnel totalling (US)$200,000; sub-contracts for biomass integration; 27 man-months of international professional personnel totalling (US)$270,000; equipment for gas turbines and miscellaneous costs.

Financial data

	$
Personnel	686 200
Subcontract	5 850 000
Equipment	30 000
Miscellaneous	230 100
Total	6 796 300

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CHINA

IPF:(1992-96) $176 000 000

(CPR/91/521) - Tax Policy and Administration Reform

Date of approval by the AC:[1]	2 September 1992
Expected duration:	Two years and five months
Proposed executing agency:	Government (China International Center for Economic and Technical Exchanges (CICETE))
Government implementing agency:	State Tax Bureau (STB)
Proposed UNDP contribution:	$1 035 200 Source of funds: IPF
Government cost sharing:	$ 40 000
Third-party cost sharing:	$ 330 000
Total UNDP budget:	$1 075 200

Project background

The origins of the present tax system of China can be traced back two thousand years. This system has all along been characterized by the need to balance the tax levying powers of the Central Government with those of the local governments. Historically, this balance has inclined sometimes in favour of the Centre and at other times in favour of the provinces. As with other tax systems, the distribution of tax levies and generation of sufficient levels of revenue have also challenged Chinese authorities for centuries.

The control over tax collection and expenditure of revenue was generally concentrated in the Central Government before the reforms began in 1979. But after the reforms of the 1980's this control reverted to the provinces. That trend has become more and more prominent as the reforms have taken firmer roots, causing concerns about policies, systems and sharing of tax revenue. Another matter of equal concern is that not only is the Centre's share in the revenue declining, the share of total revenue as a percentage of GDP is also declining. For example, in 1987 the tax/GDP ratio was 23 per cent while in 1991 it declined to only 18.6 per cent.

The problem is two fold. Firstly, there does not exist a set of "complete" and "appropriate" tax policies, laws, regulations, etc.; and secondly, even the laws and regulations that do exist are not implemented effectively and equitably because of too many escape clauses, discretionary powers and divergent interests. The systems of checks and balances; of accounting; of audit and supervision are also less than adequate. Above all, the officials responsible for running these systems are not adequately trained to perform what for them are new kinds of functions. The Government of China has, therefore, undertaken to reform its tax system by overhauling its tax policies and by training the tax officials.

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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In conformity with the gradual nature of market-oriented reform, tax reform will not take place all at once. The present round of reform represents a further step in the evolution of the tax system, in line with the open-door policy commenced in 1979. Proposals for most reform have been considered in the framework of previous UNDP - supported technical cooperation, and the World Bank and IMF studies. To establish a legal framework, create a turnover tax, instil income tax reform, and develop tax administration, the Government requested UNDP assistance under the present approval.

Description of project

The long-term objective of the project is to assist the State Tax Bureau (STB) in initiating a major new phase of reform of the tax system under two aspects: (i) tax policies, laws and regulations; and (ii) tax administration.

The immediate objectives of the project are to: (a) prepare and update a "General Plan" for the reforms with training sessions and seminars (both in-country and abroad); (b) draft a number of tax laws for approval by higher authorities; (c) strengthen the administration and capabilities of tax institutions; (d) provide STB drafters with assistance of international tax law experts and to visit foreign countries to understand better comparative tax law (including the process of their preparation) and organize seminars to discuss in a wider forum different issues pertaining to the laws; (e) involve tax authorities and other relevant Chinese officials at the provincial and decentralized levels as well as those from central institutions; (f) prepare a detailed blueprint for reform of the tax administration and collection system; (g) implement on a pilot basis before adopting the blueprint in its totality a few of its provisions; (h) train a number of tax administrators for this by sending them to selected countries to study different aspects of tax administration; (i) send a number of officials abroad to receive longer-term training; (j) enable beneficiaries of the training to become trainers and leaders to disseminate the lessons throughout the country; and (k) improve the tax administration system through computerization of various operations.

Inputs

UNDP will provide 10.2 man-months of services of 19 international consultants' missions to advise on overall reform plans, comment on draft tax laws, assist with drafting if necessary, help in making contacts for study tours and longer-term training; participation of consultants in seminars as resource persons, 12 study tours and between 16 and 22 fellowships for the senior and mid-level officials, participation of six officials in training seminars in IMF, Washington and two consultation missions by the National Project Director also to IMF, Washington; and training and office equipment. The IMF will provide $ 330,000 of parallel funding for Washington seminars and other mission costs.

Financial data

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Personnel	298 000
Training	674 200
Equipment	83 000
Miscellaneous	20 000
Total	1 075 200

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